

even marketable in Manila. "Clear Strips" will take sizes sold here as "Nipa Strips". "First and Seconds Shorts" will take 2 to 5-1/2 feet in length, whereas anything less than 6 feet is not accepted in the local market. Export grades in FAS shorts, Common shorts, Clear Strips, and No. 1 Common Strips will take 3 inches and wider for shorts and 2 inches and wider for strips. Anything less than 6 inches wide and between 6 and 10 feet long is classified as narrows, shorts, and strips in the Manila market, and the price at which producers have to dispose of these sizes is much less than half their cost of production. The local market will not be put out of these grades and sizes. There always has been an excess production in so called shorts, narrows, and strips which is unavoidable, and with local prices so low, producers will be able to ship at least part of this excess and get reasonable prices for it. Local market prices have remained unchanged during the past month.

## Copra and Coconut Oil

May 16 to June 15

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

**I**N spite of the several repeated forecasts that copra production would continue low, it would seem that several Pacific coast mills more or less discounted these predictions and continued selling oil for forward positions, in the expectation that Philippine sellers sooner or later would be forced to dump large quantities of copra which, in turn, would enable Pacific coast mills to cover their previous oil sales. Unfortunately, as time went by, it became more and more apparent that the anticipated scarcity of supplies is an absolute fact and the result has been that a very tight market has continued throughout the period from May 15 to June 15, with relatively limited but steady demand for prompt shipments, but with very little buying interest for future deliveries. Insofar as sellers are concerned, the situation in general has been so uncertain that there has been no interest on their part to sell futures until very recently, although most of their offerings were at such high prices that generally trading was practically restricted to spots and nearby deliveries. As a result of this, the copra market was in a confused but generally very tight condition.

The American market opened on May 15 with a weaker undertone and while, in general, buyers' ideas were \$310 for May/June, sellers were asking \$320 to \$325, with small sales recorded at \$325 for some afloat parcels. On the 21st of May, reports circulated to the effect that arrangements were being made on behalf of Europe with a view to releasing funds for copra purchases, but it was privately reported that the European Cooperative Administration was prepared to apply all possible pressure to hold France and other nations not to exceed \$300 f.o.b. per long ton. This had something of a weakening effect on the market, since European nations more or less corroborated their inability to pay more than \$300 f.o.b. With this news, American buyers became more cautious and refused to bid for several days. Philippine sellers later became somewhat uneasy, as a result of which business was recorded, first, at \$320 c.i.f. and later, small trades were reported at \$315, although by the end of May, afloat parcels were again sold at \$325 c.i.f.

During the first days of June, further afloat copra was sold at \$330 c.i.f. this marking the highest price during the period.

# PACIFIC MERCHANDISING CORPORATION

JOHN R. WAGNER, Pres.

209 Rosario

Manila

EXCLUSIVELY REPRESENTING . . . .

CORBIN LOCK COMPANY

AMERICAN RADIATOR & STANDARD  
SANITARY CORPORATION

NATIONAL CARBON CO., INC.  
"Eveready" flashlights & batteries

LINDE AIR PRODUCTS CO., INC.  
"Union" Carbide

THE PARAFFINE COMPANIES, INC.  
"Pabco" Products

AMES BALDWIN WYOMING COMPANY

BALL BROS. MASON JARS

WEST BEND ALUMINUM COMPANY

MALLEABLE IRON FITTINGS CO.

FAIRBURY WINDMILL CO.

CAPEWELL MANUFACTURING CO.

SLOAN VALVE COMPANY

BOMMER SPRING HINGE COMPANY

HUBBARD & COMPANY

COLUMBUS COATED PRODUCTS CO.

KEENEY MANUFACTURING COMPANY

BADGER METER MANUFACTURING CO.

DICK BROTHERS MANUFACTURING CO.

A. B. STRAUB CO.

LIGGETT SPRING & AXLE COMPANY

STEEL PRODUCTS

HOUSE FURNISHINGS

GENERAL HARDWARE

PLUMBING

Canada, which up to the present has been getting its copra requirements from the Philippines, was able to buy 3000 tons of copra from the Dutch East Indies for shipment during June, July at \$315 c.i.f. and while fair publicity was given to this report with a view to influence sellers' ideas, they did not change an iota.

During June, ECA reiterated its previous advice that no European country using Marshall Aid funds would be permitted to pay over \$300 f.o.b. and again American buyers became very cautious, and with no demand for coconut oil except for occasional small trades to refiners, buying resistance from both Europe and America finally made itself felt, and we close this period with a rather easy but nominal market, as generally buyers are not bidding although they indicate ideas at \$305 c.i.f. per short ton, with sellers generally asking \$320 although inclined to consider \$315 c.i.f.

Despite repeated warnings that the level of \$300 f.o.b. per long ton would not be exceeded, sellers were strongly of the opinion that European demands must break loose as soon as dollars were available under ECA and that this demand would oustrip the \$300 ceiling indicated by the ECA in Washington.

That the high coconut oil prices have resulted in a material decrease in consumption, is a well-known fact, as the large American consumers of coconut oil modified their formulas to reduce their requirements in favor of tallow, and while ordinarily, when price levels are more or less equal, the quantities of tallow and coconut oil closely approximate each other, a report issued by the Bureau of Census in America gives the following figures, which represent the first quarter factory-consumption in soap-making by major soap fats:

Greases .....	65,198 tons
Inedible tallow .....	135,463 tons
Total tallow and greases .....	200,661 tons
Crude coconut oil .....	49,576 tons
Refined coconut oil .....	23,583 tons
Total coconut oil .....	73,159 tons

The foregoing shows that the approximate proportion of greases to coconut oil is now three to one, instead of the usual 50-50.

During the second half of the period under review, in anticipation of increased production, Philippine sellers were more inclined to offer futures, July August and July August September shipment at a slight discount, as compared to top prevailing levels. Insofar as we know, no business of any consequence was recorded beyond June July, although limited inter-mill business was done for July August.

There were no new sales reported to Europe during the period under review, although moderate volume was purchased for European destinations to fill previous commitments. Obviously, in the prevailing tight market buyers had to meet American equivalents, despite buying resistance, which means that sales to Europe made during April 15 to May 15, were covered at a loss. A few countries independent of the Marshall Plan were in a position to buy, but in anticipation of lower levels, buying was deferred.

The increase in the rates of freight for copra and kindred products, was reviewed by the Associated Steamship Lines at their last meeting, but shippers' protests were to no avail and the increase was definitely confirmed.

## AVAILABLE IN STOCK FOR IMMEDIATE DELIVERY

Galvanized Steel Sheets  
Corrugated and Plain No. 26 x 8 ft.  
REYNOLDS Aluminum Roofing Sheets  
Corrugated and Plain  
Reinforcing Steel Bars  
ATLAS Portland Cement  
Ceiling and Partition Boards  
\*CANEC Boards 5 16" & 1 2" x 4' x 8'  
\*Panel Boards 1 4" x 4' x 4'  
\*ELEPHANT Asbestos Cement Boards 3 16" & 1 4" x 4' x 8'  
\*ASECO Boards 3 16" x 4' x 8'  
\*PABCO Plasterboards 1 4" x 4' x 8' -  
\*MASONITE Tempered Boards  
1 8" x 4' x 8' & 4' x 12'; 3 16" x 4' x 12'  
\*KENMORE Boards 3/16" x 4' x 8'  
STANLEY, CORBIN and YALE  
Builder's Hardware

Metal Lath 27" x 96"  
ATLAS White Cement  
KEENE'S Cement  
ALSOCO Aluminum Solder  
Bathroom Glazed Wall Tiles  
White and Ivory  
Machine Bolts and Nuts  
Plain Galvanized Wire  
LUCAS Paints  
\*METRO Prepared Paints for Interior and Exterior Surfaces  
\*LUCATONE Water Paints for Interior Walls and Ceiling  
\*LUCASINA Paint in Powder for Concrete, Bricks and Plaster  
\*GIBBSBORO Colors in Oil  
Etc.

### Also

Mill Supplies  
Plumbing Supplies

Shop Chandlery  
General Hardware

# CHAM SAMCO & SONS, INC.

DIRECT IMPORTERS

300-308 Sto. Cristo, Manila

Telephone 2-81-72

Exports of copra for the month of May were the lowest of this year, totalling 47,328 long tons, of which there were 36,978 tons shipped to the United States, 7,850 tons to Europe, and 2,500 tons to Canada. Copra shipments during May, 1947, aggregated 66,821 long tons.

The local copra market was firm and excited, particularly in Manila where supplies were very light. Starting at ₱63, the market advanced to a high point of ₱68, only to recede at the end of the period to ₱62. Prices in Cebu and in other key cities, while somewhat below these figures, were higher at all times than export equivalents.

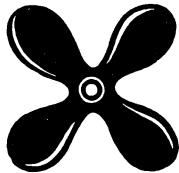
Coconut oil was selling sparingly at 24-1 2¢ f.o.b. Coast or 25¢ c.i.f. New York on May 16. The Coast market improved to 26¢ and 26-1 2¢, all for spot delivery and only for small edible consumers. Later, however, the market gradually receded, and on June 15 was back to 25¢. Meanwhile, a little spot business was done at 26¢ c.i.f. Atlantic Coast, which appears to be the top price paid. Large soapers were still generally not interested and the entire demand came from small consumers for edible purposes. As usual, the business was practically all prompt, forward positions being entirely neglected or heavily discounted. Locally, the price of coconut oil was maintained at ₱1.13 with practically no business done, both because the price was considered too high and because Chinese soapers in general are doing far less business than a year ago.

The copra-cake market improved a little and at one time it was possible to sell limited quantities at \$75 f.o.b. for Europe. The Pacific Coast, however, was generally a better market, and business was done as high as \$87 per short ton c.i.f. Actual business passing was very little.

Of importance to oil crushers was the passage by Congress (R. A. No. 261) of an amendment to Section 189 of the Internal Revenue Code by which the local processing-tax is waived on shipments of coconut oil abroad, thus relieving the discrimination against oil and in favor of copra inadvertently resulting from the 1946 revision of the Code. This legislation, however, cannot be fully effective until such time as coconut oil buyers are once more willing to take on future commitments at prices which will justify meeting daily competition of copra. This time may be a very considerable way off.

Rarely had those interested in copra and coconut oil been as confused as they were in mid-June. While production gave indications of gradual seasonal improvement, it was generally felt that the market was still oversold, and that there could be no severe break in prices. On the contrary, although it was generally felt that copra prices have been top-heavy, and lower figures were to be expected the second half of the year, the impression was general that there would be at least one more bulge before the market drifted too far down. It was becoming more and more obvious, however, that apart from the supply situation in the Philippines, and the curtailed consumptive demand in the United States, Philippine copra prices in the near future would largely depend upon Europe; and, barring Poland and Czechoslovakia, European buying demand depended on ECA funds and the restrictions placed on the spending of them. At this late writing, it appears that these restrictions are likely to drag the entire market down much sooner and to a much greater degree, than was anticipated in mid-June.

# International



# LAGOTEX

(No. 599—Black)

RESISTS:—

**TERRIFIC HEAT**  
**STRONGEST ACID AND ALKALI**  
**SOLUTIONS**  
**GALVANIC ACTION**  
**WATER FRICTION**

—\*—

RECOMMENDED FOR:—

**SMOKESTACKS**

and all surfaces exposed to heat

**FACTORY BUILDINGS**

to protect steel against acids  
and fumes.

**STEEL LIGHTERS**

operating in relatively fresh  
water where "fouling" is not  
severe

—\*—

For all particulars apply to

**BOWEN & CO., INC.**

940 Lepanto, Manila

Tel. 2-82-55